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BEFORE THE ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF:

2004 NOV 12 A 8 53

ILLINOIS COMMERCE COMMISSION,

CHIEF CLERK'S OFFICE

On Its Own Motion,

No. 01-0707

vs.

THE Peoples Gas, LIGHT and COKE  
COMPANY

Reconciliation of revenues  
collected under gas adjustment  
charges with actual costs  
prudently incurred.

The Discovery Deposition of DAVID WEAR,  
taken under oath on the 10th day of November 2004,  
at Suite N-901, 160 North LaSalle Street, Chicago,  
Illinois, pursuant to the Rules of the Supreme  
Court of Illinois and the Code of Civil Procedure,  
before Barbara A. Perkovich, a notary public in and  
for the County of DuPage and State of Illinois,  
pursuant to notice.

1 specifically Line 303, it's two-thirds of the way  
2 to the bottom of the page. The sentence I was  
3 referring to in my question states, However, the  
4 fact that there were no written quantitative  
5 studies to determine the affect that the GPAA might  
6 have on gas costs does not mean that the Company  
7 was not cognizant of what those affects could be.  
8 Now, do you recall submitting that testimony?

9 A. I recall submitting this testimony, I don't  
10 think that was the way you phrased the question.

11 Q. I just want to make sure I understand  
12 clearly what your testimony is trying to say. Does  
13 your testimony mean that Peoples Gas conducted no  
14 written quantitative study of the GPAA and its  
15 affect on the gas costs prior to the GPAA going  
16 into effect?

17 MR. MULROY: I object to this line of  
18 questioning. I think we presented to the judge a  
19 question of whether we would use these depositions  
20 to cross examine witnesses who had prefiled  
21 testimony and I think she said we shouldn't do  
22 that. It seems like that's what you're doing now.

23 MR. WU: I'm asking for clarification. In any  
24 event, I believe it's Rule 206 (c) (1) states that

1 when I'm reviewing the discovery in the case I  
2 should not find any such written quantitative study  
3 of the GPAA before it went into effect, right?

4 MR. MULROY: I object, that's an argumentative  
5 question and he's already given you the answer to  
6 it. Who knows what you'll find. You can answer  
7 that question, do you understand what he's talking  
8 about?

9 THE WITNESS: I'm sorry, if you could ask it  
10 again or have it reread for me, I'll try and answer  
11 it.

12 BY MR. WU:

13 Q. I'm just trying to make sure, you stated  
14 the company didn't do any such analysis, any  
15 written quantitative analysis or study of the GPAA  
16 prior to it going into effect; is that right?

17 A. To my knowledge that is correct.

18 Q. In the context of evaluating gas supply  
19 alternatives that Peoples Gas may be considering,  
20 what is a break even analysis?

21 A. I'm not familiar with that term in the  
22 context of which you've used it.

23 Q. Are you familiar with the term break even  
24 analysis in any other context besides evaluating